

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5124
ANSWERED ON:25.08.2000
ECONOMIC OFFENCE
BHAVNA DEVRAJ CHIKHALIA

Will the Minister of FINANCE be pleased to state:

- (a) the number of Indian and foreign companies and persons found involved in economic offences till date;
- (b) the details of the economic offences committed by them;
- (c) whether the Government have taken any action against the concerned companies; and
- (d) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR)

(a): As on 1.6.2000, a total number of 9154 cases involving companies and persons, were under investigation and adjudication, for violation of the provisions of the Foreign Exchange Regulation Act, 1973. The number of companies against which action has been taken for violations under the Customs Act and Income Tax Act during 1996-97 to 1998-99, is 7401. The number of persons arrested during 1997-98 to 1999-2000 for violations under the Customs Act, is 3448. As regards violations relating to Central Excise, the number of cases registered during this period is 19,484.

(b): The major violations are wilful attempt to evade taxes, filing of false returns, under/over valuation of goods, fraudulent claims of drawback, misdeclaration/ wrong classification, misuse of modvat credit, non-realisation of export proceeds, dealing in foreign exchange without RBI permission and dealings in Hawala transactions.

(c): Yes, Sir.

(d): The action taken includes issue of show cause notices, imposition of penalties and fines, and launching of prosecution.